



ORIGINAL

RECEIVED

2003 APR 28 P 4: 33

AZ CORP COMMISSION  
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER  
CHAIRMAN

JIM IRVIN  
COMMISSIONER

WILLIAM A. MUNDELL  
COMMISSIONER

MIKE GLEASON  
COMMISSIONER

JEFF HATCH-MILLER  
COMMISSIONER

Arizona Corporation Commission  
DOCKETED

APR 28 2003



In the Matter of Investigation into  
US West Communications, Inc.'s  
Compliance with Certain Wholesale  
Pricing Requirements for Unbundled  
Network Elements and Resale  
Discounts

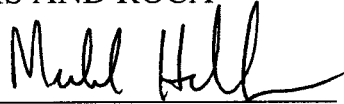
Docket No: T-00000A-00-0194

**NOTICE OF FILING  
TESTIMONY OF BRIAN  
THOMAS ON BEHALF OF  
TIME WARNER TELECOM  
OF ARIZONA AND REQUEST  
TO APPEAR TELEPHONICALLY**

Time Warner Telecom of Arizona ("TWTa") hereby files the testimony of Brian Thomas in the above-referenced matter. TWTa further requests that Mr. Thomas be permitted to appear at the hearing telephonically.

1 RESPECTFULLY SUBMITTED this 28<sup>th</sup> day April, 2003.

2 LEWIS AND ROCA

3 

4 Thomas H. Campbell  
5 Michael T. Hallam  
6 40 N. Central Avenue  
7 Phoenix, Arizona 85004

8 Attorneys for Time Warner Telecom of Arizona  
9

10 ORIGINAL AND thirteen (13) copies  
11 of the foregoing hand-delivered this  
12 28<sup>th</sup> day of April, 2003, to:

13 Arizona Corporation Commission  
14 Utilities Division – Docket Control  
15 1200 W. Washington Street  
16 Phoenix, Arizona 85007

17 COPY of the foregoing hand-delivered  
18 this 28<sup>th</sup> day of April, 2003,  
19 to:

20 Ernest Johnson, Director  
21 Utilities Division  
22 Arizona Corporation Commission  
23 1200 W. Washington Street  
24 Phoenix, Arizona 85007

25 Maureen Scott  
26 Legal Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Lyn Farmer  
Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

LEWIS  
AND  
ROCA  
LLP  
LAWYERS

1 COPY of the foregoing mailed  
2 this 28<sup>th</sup> day of April, 2003,  
3 to:

4 Thomas M. Dethlefs, Senior Attorney  
5 Qwest Communications  
6 1801 California Avenue  
7 Suite 5100  
8 Denver, Colorado 80203

9 Timothy Berg  
10 Fennemore Craig, P.C.  
11 3003 N. Central Avenue  
12 Suite 2600  
13 Phoenix, Arizona 85012

14 Raymond Heyman  
15 Michael Patten  
16 Roshka Heyman & DeWulf  
17 400 N. Fifth Street  
18 Suite 1000  
19 Phoenix, Arizona 85004-3906

20 Joan S. Burke  
21 Osborn Maledon, P.A.  
22 2929 N. Central Avenue  
23 12<sup>th</sup> Floor  
24 P.O. Box 36379  
25 Phoenix, Arizona 85067-6379

26 Richard S. Wolters  
Michael Singer Nelson  
AT&T  
1875 Lawrence Street  
Suite 1575  
Denver, CO 80202

Erick S. Heath, Esq.  
Sprint Communications  
100 Spear Street  
Suite 930  
San Francisco, CA 94105

Scott Wakefield  
Residential Utility Consumer Office  
1110 W. Washington Street  
Suite 220  
Phoenix, Arizona 85007

LEWIS  
AND  
ROCA  
LLP  
L A W Y E R S

- 1 Michael Grant  
Todd Wiley
- 2 Gallagher & Kennedy  
2575 E. Camelback Road
- 3 Phoenix, Arizona 85016-9225
- 4 Mary E. Steele  
Davis Wright Tremaine LLP
- 5 2600 Century Square  
1501 Fourth Avenue
- 6 Seattle, Washington 98101-1688
- 7 Charles White  
TNS Telecoms
- 8 101 Greenwood Avenue  
Suite 502
- 9 Jenkintown, PA 19046
- 10 Joyce B. Hundley  
United States Dept. of Justice
- 11 Antitrust Division  
City Center Building
- 12 1401 H. Street, NW  
Suite 8000
- 13 Washington, DC 20530
- 14 Jeffrey W. Crockett  
Jeffrey B. Guldner
- 15 Snell & Wilmer LLP  
One Arizona Center
- 16 Phoenix, Arizona 85004-2202
- 17 Harry L. Pliskin  
Covad Communications Company
- 18 7901 Lowry Boulevard  
Denver, Colorado 80230
- 19 Charles Best, Esq.  
Electric Lightwave, Inc.
- 20 P.O. Box 8905  
Vancouver, WA 98668-8905
- 21 Marti Allbright, Esq.  
Mpower Communications Corp.
- 22 5711 South Benton Circle  
Littleton, Colorado 80123
- 23
- 24
- 25
- 26

LEWIS  
AND  
ROCA  
LLP  
LAWYERS

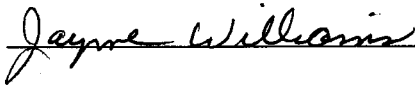
1 Lyndon J. Godfrey  
2 AT&T  
3 795 Folsom Street  
4 Room 2104  
5 San Francisco, California 94107

6 Kevin Chapman  
7 Director-Regulatory Relations  
8 5800 Northwest Parkway  
9 Suite 125, Room I-S-20  
10 San Antonio, TX 78249

11 Thomas F. Dixon  
12 MCI WorldCom, Inc.  
13 700 17<sup>th</sup> Street  
14 Suite 3900  
15 Denver, Colorado 80202

16 Mitchell F. Brecher  
17 Debra McGuire Mercer  
18 Greenberg Traurig, LLP  
19 800 Connecticut Ave, NW  
20 Washington, D.C. 20006

21 Robert S. Kant  
22 E. Jeffrey Walsh  
23 Greenberg Traurig, LLP  
24 2375 E. Camelback Road  
25 Suite 700  
26 Phoenix, Arizona 85016



**DIRECT TESTIMONY OF BRIAN D. THOMAS  
TIME WARNER TELECOM OF ARIZONA LLC**

**APRIL 28, 2003**

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Brian D. Thomas. I am Vice President—Regulatory for Time Warner Telecom (“TWTC”). My business address is 223 Taylor Avenue North, Seattle, WA 98109.

Q. COULD YOU BRIEFLY SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY?

A. I have more than twenty-two years of experience in the telecommunications industry. I have been Vice President—Regulatory for TWTC since January of 2001, when I joined the company. In this position, I manage and oversee TWTC’s regulatory and government affairs functions throughout a seven state region in the western United States. My responsibilities include oversight of TWTC’s participation in state regulatory proceedings, certification, regulatory compliance, tariffing issues, and negotiation of certain interconnection matters.

Prior to joining TWTC, I worked for GST Telecom, another competitive local exchange carrier (“CLEC”) in the western United States. At GST, I held several positions in the regulatory and government affairs area, with primary responsibility for federal and state regulatory matters related to competitive entry and interconnection.

1 Before moving to GST, I worked for ten years with Pacific Telecom, Inc., holding a  
2 number of positions with the company. In 1992, I was promoted to Assistant Vice  
3 President—Government Affairs and moved to Washington, D.C., where I assumed  
4 management of Pacific Telecom's federal relations office. In that position, I held  
5 primary responsibility for representation and advocacy on telecommunications  
6 matters pending before the Federal Communications Commission ("FCC") and  
7 Congress, including matters pertaining to the Telecommunications Act of 1996.  
8  
9

10  
11 I am a graduate of the University of Puget Sound with a Bachelor of Arts degree in  
12 Business Administration and Accounting. I am also a Certified Public Accountant  
13 in the State of Washington, where I have held a CPA license for approximately  
14 twenty years.  
15  
16

17  
18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A. My testimony addresses the effect on Time Warner Telecom of Arizona LLC  
20 ("TWTA") of the transport rate changes implemented under Decision No. 64922 in  
21 Docket No. T-00000A-00-0194. Implementation of the transport rates derived  
22 under that Decision has dramatically increased TWTA's monthly recurring expense  
23 of interconnecting with Qwest in the state of Arizona.  
24

25 Q. PLEASE DESCRIBE TWTA'S OPERATIONS IN ARIZONA.  
26

1 A. TWTA is an active competitor in the greater Phoenix and Tucson  
2 telecommunications markets. The company is collocated with Qwest in a number  
3 of central offices in both markets and interconnects with Qwest for the exchange of  
4 local traffic through those collocation arrangements. TWTA has constructed  
5 extensive fiber optic facilities throughout each metropolitan area and uses those  
6 facilities to provide a wide range of voice and state of the art data services to small,  
7 medium and large business customers. Except in isolated instances, TWTA does  
8 not purchase entrance facilities from Qwest to interconnect with Qwest's local  
9 exchange network.

10  
11 Q. WHAT HAS BEEN THE EFFECT ON TWTA OF QWEST'S  
12 IMPLEMENTATION OF THE NEW TRANSPORT RATES IMPLEMENTED  
13 UNDER DECISION NO. 64922?

14 A. Based on Qwest interconnection billing information for TWTA that I reviewed for  
15 the six-month period ending March 31, 2002, TWTA's monthly recurring costs  
16 associated with Qwest Local Interconnection Service ("LIS") trunking have  
17 increased approximately fifty-six percent (56%). When viewed on an annual basis,  
18 this price increase equals an annual operating expense increase of nearly \$70,000.  
19 Prior to the rate increase, TWTA's monthly LIS trunking expense was  
20 approximately \$10,000 per month. After implementation of the new rates,  
21 TWTA's monthly expense rose to approximately \$15,700 per month.

22  
23 Q. DO YOU HAVE ANY SPECIFIC EXAMPLES OF THE EFFECT OF THE RATE  
24 INCREASE ON INDIVIDUAL CIRCUITS ASSOCIATED WITH  
25 INTERCONNECTION?  
26



1 A. Yes, I do. After noticing a significant increase in our monthly LIS trunking bills  
2 from Qwest, TWTC's Carrier Cost Management Group, under my direction,  
3 performed a six-month analysis of Qwest's LIS billing to determine the effect of  
4 the new rate changes on a Universal Service Order Code (USOC)-specific basis.<sup>1</sup>  
5 That analysis revealed that billing for channel terms and channel mileage generally  
6 increased by a factor of three or four. For example, channel mileage billing for  
7 telco circuit id# 101T1GLDAZMADC0PHNXAZMAHJ4 increased from \$22.23  
8 for the December, 2002 billing to \$75.95 per month for the January, 2003 billing.  
9 Similarly, channel mileage billing for telco circuit id#  
10 101T1TCSNAZCRDC0TCSNAZMAHJ1 increased from \$19.95 per month to  
11 \$75.95 per month. The vast majority of the LIS trunk circuit costs that I reviewed  
12 increased significantly.

13 Q. WHAT DO YOU BELIEVE TO HAVE CAUSED THIS DRAMATIC  
14 INCREASE?

15 A. I believe that including the cost of an entrance facility in the costs for other  
16 transport resulted in this increase. Prior to the implementation of the new rates  
17 approved in Decision No. 64922, Qwest billed separately for entrance facilities.  
18 Because TWTA does not require entrance facilities in most cases, it did not incur  
19 this cost under the prior rate structure. The new rates did not contemplate that some  
20  
21  
22  
23  
24

25 <sup>1</sup> A USOC is a code which distinguishes individual rate elements for billing application  
26 and verification.

1 CLECs like TWTA do not utilize or require entrance facilities to interconnect with  
2 Qwest. The new rate structure appears to require carriers like TWTA to contribute  
3 toward the cost of entrance facilities for other carriers because those costs are  
4 incorporated into other rates actually paid by TWTA.  
5

6 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

7 A. Yes, it does.  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26